

Review Requirements Checklist Financial Guaranty (Line10), Fidelity (Line 23) And Surety (Line 24)

Company Name: _____

NAIC #: _____

REVIEW REQUIREMENTS	REFERENCE (See www.azleg.state.az.us for applicable statute.)	COMMENTS	REFERENCE Form/Page/Para*
I. FORMS			
Applications			
Referenced In the Policy	A.R.S. §§ 20-398(A); 20-1102		
Statements As Representations, Not Warranties	A.R.S. § 20-1109		
Fraud Must Be Material	A.R.S. § 20-463(A); Unpublished Requirement	Statements in the application that would preclude recovery for fraudulent activity must restrict nonrecovery for fraud based on material facts.	
Blank Forms			
Blank Forms	Unpublished Requirement	The ADOI will not approve blank forms. The forms should be completed in "John Doe" fashion to illustrate the type of language that will be placed on the form.	
Cancellation & Nonrenewal			
Premium Return	A.R.S. § 20-1113(C)		
Filing Requirement			
Exemption Order	A.R.S. § 20-398(B); Exemption Order	Certain forms have been exempted from filing requirements by Order of the Director. The insurer should review the current exemption order located at www.id.state.az.us prior to making any submission to the Department in order to determine whether a filing is required or not.	
General Provisions			
Charter; Bylaws	A.R.S. § 20-1114		
Contents Of The Policy (Names)	A.R.S. § 20-1113(B)(1)		
Contents Of The Policy (Insurer)	A.R.S. § 20-1113(B)(2)		
Contents Of The Policy (Subject)	A.R.S. § 20-1113(B)(3)		
Contents Of The Policy (Risks)	A.R.S. § 20-1113(B)(4)		
Contents Of The Policy (Time)	A.R.S. § 20-1113(B)(5)		
Contents Of The Policy (Premium)	A.R.S. § 20-1113(B)(6)		
Contents Of The Policy (Conditions)	A.R.S. § 20-1113(B)(7)		
Assignment	A.R.S. § 20-1122	A policy may be assignable or not assignable, as provided by its terms. Personal injury rights are not assignable. <i>Allstate Ins. Co. v. Druke</i> , 118 Ariz. 301, 576 P2d 489.	
Execution	A.R.S. § 20-1116		

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Illegal Provisions			
Annulment	A.R.S. § 20-1123		
Group Policy	No enabling law for property and casualty group insurance as exists for other types of insurance in Title 20. Unpublished Requirement.	There is no provision under Arizona insurance law to issue a group property and casualty policy.	
Non-Licensed Entities	Unpublished Requirement	The form may not reference or refer the policyholder to agents, brokers, managing general agents or other entities which do not possess an Arizona license and which are required pursuant to Title 20 to be licensed in this State.	
Titles Or Headings	A.R.S. § 20-1111(A)(3)		
Void Policy Restrictions	A.R.S. § 20-1115		
Invalidation Of The Policy	A.R.S. § 20-229(C)		
Standards (Forms)			
Cannot Be Ambiguous, Misleading Or Deceptive	A.R.S. § 20-1111(A)(2)	The Department may rely on current Arizona case law when determining whether a clause is ambiguous, misleading or deceptive.	
Transmittal Form			
Filing Transmittal Form	Unpublished Requirement	Filings must include a completed Property & Casualty Transmittal Document. The form may be found at the Department's website: http://www.id.state.az.us . As different laws apply, forms and rates must be filed separately.	
II. RATES			
Filing Requirements			
Use and File	A.R.S. § 20-385(A)		
Supporting Data	A.R.S. § 20-385(B)	Actuarial support should include, but is not limited to the following:	
		a) Credible loss and expense experience;	
		b) Loss development tables;	
		c) Trend exhibit;	
		d) Indicated rate level exhibit; a list of assumptions made in the filing; and,	
		e) Exhibit(s) showing that due consideration was given to past and prospective loss experience, a reasonable margin for underwriting profit and contingencies, to dividends, savings or unabsorbed premium deposits allowed or returned by the insurer to its policyholders, to past and prospective expenses within and outside Arizona and to all other relevant factors. Although countrywide data may be used in the filing, primary justifications should be based on Arizona specific experience.	
Exemption Order	A.R.S. § 20-385(F); Exemption Order	Certain rates have been exempted from filing requirements by Order of the Director. The insurer should review the current exemption order located at www.id.state.az.us prior to making any submission to the Department in order to determine whether a filing is required or not.	
Filing Requirement			
No Filing	A.R.S. § 20-398(A)	Fidelity, surety or guaranty bonds do not have to be filed with the Director.	
Setting Rates			
Rating standards	A.R.S. § 20-383		
Consideration	A.R.S. § 20-384(B)		
Industrial Insured Experience	A.R.S. § 20-384(E)		

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Rating Plan Requirements			
Rating Criteria	A.R.S. § 20-384(C)		
Schedule Rating	A.R.S. § 20-384(C); Unpublished Requirement	Rates produced may be modified for individual risks in accordance with rating plans or schedules that establish reasonable standards for measuring probable variations in hazards or expenses, or both. A schedule rating plan must be equitable and reasonable; therefore, for example, if the maximum debit under the plan is +25%, then the maximum credit also available under the plan should be -25%. The wording in these rating plans shall not make or permit any unfair discrimination in favor of particular persons or between insureds or subjects of insurance having substantially like insuring, risk and exposure factors, or expense elements, in the terms or conditions of any insurance contract, or in the rate or amount of premium charged.	
Classification	A.R.S. § 20-384(C)		
General Filing References			
Loss Cost Filing Procedure	ADOI FORM; Unpublished Requirement	Arizona follows ISO format.	
Consent To Rate Filings	A.R.S. § 20-385(E); Unpublished Requirement.	An insurer may file a rate in excess of that provided by an otherwise applicable filing on a specific risk if the risk agrees. This procedure requires the completion of forms CTRF AZ 385-1 and CTRF AZ 385-2.	

CERTIFICATION

I, _____, hereby certify that to the best of my knowledge and belief that each form or rate filing involved in this filing: 1) Conforms to all applicable requirements outlined above; 2) Contains no provision(s) previously disapproved or required to be corrected and/or revised by the Arizona Department of Insurance; and 3) Does not exceed this insurer's powers, the authority granted by its state of domicile, and its Arizona certificate of authority.

Signature of Officer: _____

Date: _____